

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7026**

**BILL NUMBER:** SB 371

**DATE PREPARED:** Jan 3, 2002

**BILL AMENDED:**

**SUBJECT:** Medicaid Liens and Nonprobate Assets.

**FISCAL ANALYST:** Kathy Norris

**PHONE NUMBER:** 234-1360

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
X FEDERAL

**IMPACT:** State

**Summary of Legislation:** This bill authorizes the Office of Medicaid Policy and Planning to: (1) place a lien on a Medicaid recipient's real property if the Office determines that the recipient will not return to live in the property; and (2) enforce the lien if the property is sold or upon the death of the recipient. The bill provides certain exemptions. The bill also permits the Office to recover from a deceased Medicaid recipient nonprobate assets in which the recipient has an interest at death but that do not pass through the probate estate.

**Effective Date:** July 1, 2002; January 1, 2003.

**Explanation of State Expenditures:** This bill would expand the ability of the Office of Medicaid Policy and Planning to seek reimbursement for Medicaid benefits supplied on behalf of a recipient. The bill would allow liens on real property of Medicaid recipients which is not allowed under current statute. The real property liens would eliminate certain legal maneuvers intended to keep real property out of the probate estate and beyond the ability of Medicaid to recover. The bill also allows the Office to receive reimbursement from a deceased recipient's nonprobate assets such as trusts or jointly held property.

This bill is expected to provide savings to the state by increasing the reimbursement of expenses incurred for deceased Medicaid recipients who owned assets that could have been used to pay for their care. This note will be updated when an estimate of potential savings is made available by the Office.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** The Family and Social Services Administration, Office of Medicaid Policy and Planning.

**Local Agencies Affected:** County Recorders.

**Information Sources:** Donna Sembroski, Family and Social Services Administration, Office of General Counsel, (317) 232-1282.